



Current Report No. 3/2025

Date of preparation: 22 January 2025

Subject: Conclusion of annexes to long-term agreements for the supply of coal with ENEA Wytwarzanie sp. z o.o. and ENEA Elektrownia Połaniec S.A. - disclosure of delayed inside information.

General legal basis: Article 17(1) MAR - confidential information

Content:

The Management Board of Lubelski Węgiel Bogdanka S.A. with its registered office in Bogdanka (hereinafter referred to as the "Company" or the "Party") informs that on 22 January 2025 it closed the negotiations and concluded annexes to the following Long-Term Agreements:

- a) Agreement No UW/LW/01/2012 for the supply of thermal coal of 23 January 2012 concluded between the Company and Enea Wytwarzanie sp. z o.o. ("EW") for the period until 31 December 2036 (the "EW Agreement"); and
- b) Agreement No. 3/W/2012 [LW 853/W/2012] of 12 July 2012 concluded between the Company and Enea Elektrownia Połaniec S.A. ("EEP") for a period until 31 December 2029 (the "EEP Agreement", and jointly with the EW Agreement, the "Agreements"), (collectively, the "Annexes").

The terms and conditions of the EW Agreement were covered in current reports published between 2012 and 2023, of which the last information on the amendments to it was disclosed to the public in reports No. 10/2021, 19/2021, 23/2021, 28/2021, 11/2022, 27/2022, 28/2023, published on 30 April 2021, 09 July 2021, 04 October 2021, 16 December 2021, 15 June 2022, 30 December 2022 and 29 December 2023, respectively.

The terms and conditions of the EEP Agreement were covered in current reports published between 2012 and 2023, of which the last information on the amendments to it was disclosed to the public in reports No. 20/2021, 24/2021, 27/2021, 6/2022, 26/2022 and 27/2023, published on 9 July 2021, 4 October 2021, 16 December 2021, 26 May 2022, 30 December 2022 and 29 December 2023, respectively.

In addition, in reports No. 17/2023 and No. 6/2024, of 17 July 2023 and 28 March 2024, respectively, the Issuer reported that it had received information from EW and EEP about the reduction in coal demand in 2023 and 2024.

The Management Board of the Company informs that on 22 January 2025, the Supervisory Board of the Company approved the conclusion of the Annexes.

The Company indicates below the key changes to the commercial terms of the Agreements resulting from the Annexes:

- 1) the term of the EEP Agreement and the thermal coal deliveries implemented thereunder has been extended until the end of 2033 (previously, it was the end of 2029);
- 2) new coal supply volumes were agreed:

- a) in the case of the EW Agreement for the period of 2025-2036,
 - b) in the case of the EEP Agreement for the period of 2025-2033;
- 3) new coal prices have been set for 2025;
- 4) the provisions on contractual penalties have been modified:
- a) in the case of the EW Agreement in relation to report No. 3/2012 of 23 January 2012
 - for the failure to collect or deliver the quantity volume of coal resulting from the delivery schedule - in the amount of 15% of the value of the non-collected or undelivered coal;
 - b) in the case of the EEP Agreement in relation to report No. 40/2013 of 18 November 2012, the provisions on contractual penalties have been modified:
 - in the event of a failure to deliver or collect coal for reasons attributable to a given Party in the quantity specified for a year concerned, taking into account the permitted deviations in the settlement of a given year of the Agreement, the other Party shall be entitled to a contractual penalty equal to 15% of the value of the undelivered or non-collected coal.
- 5) new agreement termination options have been introduced:
- a) In the case of the EW Agreement, the terms for termination of the Agreement were modified as referred to in Report No. 3/2012 of 23 January 2012.
 - b) in the case of the EEP Agreement, the right to terminate the Agreement has been introduced;
- 6) due to changes in prices, volumes and, in the case of the EEP Agreement, the delivery period, the total value of the Agreements was changed:
- a) in the case of the EW Agreement, the value of the entire Long-Term Agreement in force in the years 2017-2036 will amount to PLN 27,180 million net, i.e. 16.1% less than the value provided in report no. 28/2023 of 29 December 2023, the value of the Long-Term Agreement in the years 2025-2036 after the conclusion of the Annex is estimated at PLN 15,967 million net, while the value of the Agreement in the period 2024-2036 amounts to PLN 18,438 million net, i.e. 22% less than the value for this period specified in report No. 28/2023.
 - b) in the case of the EEP Agreement, the value of the entire Long-Term Agreement excluding the possible increases and volume options in force in the years 2013-2036 will amount to PLN 7,776 million net, i.e. 7.4% less than the value provided in report no. 27/2023 of 29 December 2023, the value of the Long-Term Agreement in the years 2025-2036 after the conclusion of the Annex is estimated at PLN 3,400 million net, while the value of the Agreement excluding the additional options in the period 2024-2036 amounts to PLN 2,202 million net, i.e. 51.7% less than the value for this period excluding the options specified in report No. 27/2023.

On 11 December 2024, the Management Board of the Company, pursuant to Article 17(1) and (4) of Regulation (EU) No. 596/2014 of the European Parliament and of the Council on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (MAR), decided to delay the public disclosure of the aforementioned information.